

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton;
Tony Hammond; and
Robert G. Taub

Competitive Product Prices
Parcel Select & Parcel Return Service
Parcel Select & Parcel Return Service Contract 3

Docket No. MC2012-15

Competitive Product Prices
Parcel Select & Parcel Return Service Contract 3
(MC2012-15)
Negotiated Service Agreement

Docket No. CP2012-22

NOTICE AND ORDER CONCERNING THE ADDITION OF PARCEL SELECT &
PARCEL RETURN SERVICE CONTRACT 3 TO THE COMPETITIVE PRODUCT LIST

(Issued May 7, 2012)

I. INTRODUCTION

In accordance with 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.*, the Postal Service filed a formal request and associated supporting information to add Parcel Select & Parcel Return Service Contract 3 to the competitive product list.¹ The Postal

¹ Request of the United States Postal Service to Add Parcel Select and Parcel Return Service Contract 3 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision, Contract, and Supporting Data, May 4, 2012. On May 7, 2012, the Postal Service filed a Notice of the United States Postal Service of Filing Errata to the Request and Notice, May 7, 2012 (Request). The Request supersedes their filing of May 4, 2012.

Service asserts that Parcel Select & Parcel Return Service Contract 3 is a “competitive product not of general applicability within the meaning of 39 U.S.C. § 3632(b)(3).” *Id.* at 1. The Request has been assigned Docket No. MC2012-15.

The Postal Service contemporaneously filed a redacted contract related to the proposed new product. *Id.*, Attachment B. The instant contract has been assigned Docket No. CP2012-22.

Request. To support its Request, the Postal Service filed the following six attachments:

- Attachment A—a redacted version of Governors’ Decision No. 11-6 and accompanying analysis. An explanation and justification is provided in the Governors’ Decision and analysis filed in the unredacted version under seal;
- Attachment B—a redacted version of the instant contract;
- Attachment C—the proposed change in the Mail Classification Schedule;
- Attachment D—a Statement of Supporting Justification as required by 39 CFR 3020.32;
- Attachment E—a certification of compliance with 39 U.S.C. 3633(a)(1),(2), and (3); and
- Attachment F—an Application for Non-public Treatment of the material filed under seal. The materials filed under seal are the unredacted version of the instant contract and the required cost and revenue data.

In the Statement of Supporting Justification, Karen F. Key, Manager, Shipping Products, asserts that the instant contract will cover its attributable costs, make a positive contribution to cover institutional costs, and increase contribution toward the requisite 5.5 percent of the Postal Service’s institutional costs. *Id.*, Attachment D at 1. Ms. Key contends that there will be no issue of subsidization of market dominant products by competitive products as a result of the instant contract. *Id.*

Instant contract. The Postal Service filed a revised version of the instant contract on May 7, 2012. *Id.*, Attachment B. It is scheduled to become effective on the day the Commission issues all necessary regulatory approvals or June 1, 2012, whichever date

is later. *Id.* at 8. It will expire on May 31, 2019 unless, among other things, either party terminates the agreement with 12 months written notice to the other party. *Id.* The Postal Service represents that the instant contract is consistent with 39 U.S.C. 3633. *Id.*, Attachment E.

The Postal Service filed much of its supporting materials, including the unredacted version of the instant contract, under seal. *Id.*, Attachment F. It maintains that the unredacted Governors' Decision, the unredacted version of the instant contract, and supporting documents establishing compliance with 39 U.S.C. 3633 and 39 CFR 3015.5 should remain confidential. *Id.* at 1. The Postal Service asks the Commission to protect customer-identifying information from public disclosure indefinitely. *Id.*

II. NOTICE OF FILINGS

The Commission establishes Docket Nos. MC2012-15 and CP2012-22 to consider the Request and the instant contract, respectively.

Interested persons may submit comments on whether the Postal Service's filings in these dockets are consistent with the policies of 39 U.S.C. 3632, 3633, or 3642, 39 CFR 3015.5, and 39 CFR part 3020, subpart B. Comments are due no later than May 17, 2012. The public portions of these filings can be accessed via the Commission's website (<http://www.prc.gov>).

The Commission appoints Natalie Rea Ward to serve as Public Representative in these dockets.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket Nos. MC2012-15 and CP2012-22 to consider the matters raised in each docket.
2. Pursuant to 39 U.S.C. 505, Natalie Rea Ward is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.
3. Comments by interested persons in these proceedings are due no later than May 17, 2012.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams
Acting Secretary